

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

WINC, INC., *et al.*,¹

Debtor.

Chapter 11

Case No. 22-11238 (LSS)

(Jointly Administered)

Related D.I. 47, 85, 91

**LIMITED OBJECTION OF LANGETWINS WINE COMPANY, INC. AND
LANGETWINS WINERY & VINEYARDS TO PROPOSED CURE AMOUNTS
AND RESERVATION OF RIGHTS**

LangeTwins Wine Company, Inc. and LangeTwins Winery & Vineyards (together, “LangeTwins”), by and through its undersigned counsel, hereby submit this limited objection and reservation of rights (the “Limited Objection”) to the cure amount proposed by the above captioned debtors and debtors in possession (collectively, the “Debtors”) and reserve all rights to supplement or amend this Limited Objection. In support of the Limited Objection, LangeTwins respectfully states as follows:

1. On November 30, 2022 (the “Petition Date”), the Debtors commenced their cases by filing a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) with the United States Bankruptcy Court for the District of Delaware (the “Court”). Since the Petition Date, the Debtors have continued in possession of its properties and continued to operate and manage its businesses as debtors-in-possession pursuant to Bankruptcy Code sections 1107(a) and 1108.

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Winc, Inc. (8960); BWSC, LLC (0899); and Winc Lost Poet, LLC (N/A). The Debtors’ mailing address for purposes of these chapter 11 cases is 1751 Berkeley Street, Studio 3, Santa Monica, CA 90404.

2. Prior to the Petition Date, LangeTwins entered into five agreements with the Debtors: (1) Wine Purchase Agreement dated February 3, 2022 (Red Wine Blend), (2) Wine Purchase Agreement dated March 12, 2022 (Cabernet Sauvignon), (3) Wine Purchase Agreement dated March 12, 2022 (Albarino) (these three wine purchase agreements together, the “Wine Purchase Agreements”), (4) Bulk Wine Storage Agreement dated April 10, 2022 (the “Storage Agreement”), and (5) Alternating Proprietor and Bottling Services Agreement dated June 20, 2016, as amended (the “Bottling Services Agreement”).²

3. On December 7, 2022, the Debtors filed a motion seeking approval of bidding procedures and a sale of their assets (the “Sale Motion”).

4. On December 22, 2022, the Court entered an order approving bidding procedures in connection with the Sale Motion.

5. On December 28, 2022, the Debtors filed the *Notice of Possible Assumption and Assignment of Certain Executory Contracts and Unexpired Leases in Connection with Sale* (the “Cure Notice”).

6. The Cure Notice lists (1) the Wine Purchase Agreements with a cure amount of \$430,168.27, (2) the Storage Agreement with a cure amount of \$0.00, and (3) the Bottling Services Agreement with a cure amount of \$0.00 (together, the “Proposed Cure Amount”).

7. During the course of these cases, LangeTwins and the Debtors have engaged in business-level discussions regarding amounts that came due prepetition, amounts that came due post-petition and LangeTwins’ participation in the Debtors’ critical vendor program. LangeTwins understood that the Debtors had intended to work these issues out consensually. As of this filing,

² Copies of the Wine Purchase Agreements, Storage Agreement and Bottling Services Agreement are available upon request to the undersigned counsel.

however, these issues are not yet resolved and LangeTwins therefore files this Limited Objection and reservation of rights in an abundance of caution.³

8. The unpaid amounts owed by the Debtors to LangeTwins span two time periods. The first is for amounts that came due before the case commenced. LangeTwins' records show that as of the Petition Date, the Debtors owed it approximately \$471,000 under the Wine Purchase Agreements. The Debtors scheduled LangeTwins as a prepetition unsecured creditor for amounts owed on the Petition Date of \$373,174.62.

9. After the Debtors filed their Cure Notice, an additional \$1.028 million came due under the Wine Purchase Agreements. Based on conversations with Debtors' counsel, it is unclear whether this amount which became due post-petition, as well as approximately \$260,000 due under the Storage Agreement that have come due post-petition, need to be included in the Proposed Cure Amounts. For the avoidance of doubt, and because assumption would require satisfying unpaid pre- and post-petition amounts due, LangeTwins sets forth the full amount here.

10. In sum, as of today, the total outstanding owed to LangeTwins is approximately \$1.5 million.

WHEREFORE, LangeTwins respectfully requests the entry of an order conditioning the assumption and assignment of LangeTwins' contracts on the payment of all outstanding amounts due prior to the sale, including additional amounts incurred post-petition and amounts incurred subsequent to the filing of this Limited Objection.

³ The Cure Notice seems to have set January 11, 2023 as the deadline for filing objections to cure amounts. The two-day delay in the filing of this Limited Objection, the filing of which is necessitated in part because the business people have not yet reached resolution, will not prejudice any party or the Debtors, and will ensure that, in fact, all amounts owed are cured if the various agreements are to be assumed and assigned. The Debtors were aware of the amounts asserted by LangeTwins before the objection deadline. To the extent relief by separate motion is required, LangeTwins will file a separate motion, although based on a communications with Debtors' counsel, LangeTwins understands it is the Debtors' intent to work out the correct cure amounts with LangeTwins.

Dated: January 13, 2023
Wilmington, Delaware

BAYARD, P.A.

/s/ Erin R. Fay

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